

**OKLAHOMA
CORPORATION COMMISSION**

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OIL & GAS CONSERVATION DIVISION



Tim Baker, Director

TO:

FROM: Tim Baker, Director, Oil and Gas Conservation Division

RE: Reduction in Volumes for Wells Located in Area of Interest for Triggered Seismicity

DATE: August 18th, 2016

The Commission's Oil and Gas Conservation Division (OGCD) continues to expand its efforts to reduce the risk of earthquakes potentially triggered by saltwater disposal wells. The following addresses the recent earthquakes near Luther and Wellston. The most recent events, a magnitude 3.7 MW and 3.9 MW earthquakes, as reported by the Oklahoma Geological Survey (OGS), occurred on August 16th and 17th, 2016. Wells within a ten mile buffer from a centrally located point between these two earthquake events must comply with the schedule below.

All disposal well volumes shall be calculated on a daily basis. Operational changes in daily disposal volumes are acceptable as long as the disposal volumes comport with the enclosed schedule. As has been the practice, daily pressures and volumes for such wells should be supplied every Monday to the Commission, on a weekly basis, via the e-filing system for the 1012D.

Additionally, if volumes and pressures are recorded on any basis more frequent than daily, these records are requested for the wells in this area. Email the up-to-date records to ogvolumes@occemail.com every Monday until further notice.

The following schedule applies to all wells within the defined zones in the Area of Interest:

Zero to three miles (0-3 miles):

A managed shut-in of wells currently injecting, to be completed on or before August 25, 2016.

Three to ten miles (3-10 miles):

Wells between 3 and 10 miles of the centrally located point will be required to operate at or below the latest reported 30-day average volume, from the e-filed weekly form 1012D.

In addition, gauges and flow meters shall be placed on such wells on or before Friday, August 25, 2016, if they are not already so equipped. If you are not currently doing so, you must begin recording daily volumes and pressures for such wells and report this information every Monday on a weekly basis to the OGCD within seven (7) days of the date of this letter. This must be filed via the e-filing system for the 1012D. For complete instructions on the e-filing process contact ogvolumes@occemail.com.

The actions requested in this letter will be reviewed periodically for efficacy, and adjustments may be made to the requested actions. The first review will commence no later than one hundred eighty (180) days after the completion of the volume reduction schedule, or on or before February 14, 2017, and subsequent reviews will be on recurring one hundred eighty (180) day cycles, unless circumstances warrant more frequent reviews.

If you object to the actions sought in this letter, you must submit a written request for a technical conference to the OGCD within five (5) days of the date of this letter. Written requests can be sent to Charles Lord or Jim Marlatt at the email addresses listed below, or at the address or facsimile number indicated in the letterhead. Except for good cause shown, failure to timely submit a written request for a technical conference shall be deemed to constitute your agreement to the actions requested of you in this letter.

If you have any questions contact the OGCD:

Charles Lord or
(405) 522-2751
c.lord@occemail.com

Jim Marlatt
(405) 522-2758
j.marlatt@occemail.com

Thank you in advance for your cooperation and attention to the procedures set forth in this letter and enclosed schedule.

Sincerely,



Tim Baker, Director
Oil and Gas Conservation Division

Enclosures: Map and Well List

The Arbuckle disposal wells in this area are listed below:

| API | Operator Name | Well Name Number |
|--------------------|-----------------------------------|----------------------------------|
| 35-081-23631-00-00 | E O K OPERATING LLC | JEFFREY HORTON 1 |
| 35-083-23545-00-00 | E O K OPERATING LLC | HOLT 1 |
| 35-081-23734-00-00 | HULEN OPERATING COMPANY | THREATT 18-3 |
| 35-081-23495-00-00 | MARJO OPERATING MID-CONTINENT LLC | PEARL SWDW 1 |
| 35-081-23707-00-00 | MARJO OPERATING MID-CONTINENT LLC | CHANDLER 1 |
| 35-083-23524-00-00 | MARJO OPERATING MID-CONTINENT LLC | WEST CARNEY EXTENSION 1 |
| 35-083-23634-00-00 | MARJO OPERATING MID-CONTINENT LLC | WEST CARNEY EXTENSION 2 |
| 35-081-23845-00-00 | MIDSTATES PETROLEUM COMPANY LLC | EAST WELLSTON 1 |
| 35-081-23909-00-00 | MIDSTATES PETROLEUM COMPANY LLC | HAZEL 1 |
| 35-081-23923-00-00 | MIDSTATES PETROLEUM COMPANY LLC | CHUCKAHO 1 |
| 35-081-23640-00-00 | MORAN-K OIL LLC | FAGAN 1 |
| 35-081-23907-00-00 | NEW DOMINION LLC | B. SMITH 31 |
| 35-081-24052-00-00 | NEW DOMINION LLC | PEYTON SWD 1-15 |
| 35-109-21577-00-00 | NEW DOMINION LLC | LUTHER 2 |
| 35-109-22351-00-00 | NEW DOMINION LLC | WISHON SWD 1 |
| 35-083-23592-00-00 | SPECIAL ENERGY CORPORATION | PAN GALACTIC GARGLE BLASTER 1-35 |
| 35-109-22171-00-00 | SPECIAL ENERGY CORPORATION | SHARON 1 |
| 35-081-23832-00-00 | SUNDOWN ENERGY LP | SUNDOWN 1 |
| 35-081-24016-00-00 | TERRITORY RESOURCES LLC | OCTAGON SWD 1-35 |
| 35-081-01877-00-00 | VENTURA ENERGY SERVICES LLC | ASHTON 2 |
| 35-081-02053-00-00 | XANADU EXPLORATION COMPANY | FALLIS 1 |
| | Shut in | |

